



March 18, 2005

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# ENGROSSED

## HOUSE BILL No. 1052

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DIGEST OF HB 1052 (Updated March 17, 2005 12:12 pm - DI 58)

**Citations Affected:** IC 4-30.

**Synopsis:** Lottery commission audit. Requires the state board of accounts to annually audit the operations of the lottery. Requires the lottery commission to pay for the audit. Changes the outside audit under the state budget agency to be optional instead of mandatory. Provides that the revenue and expenditure reports from the lottery commission are to be provided upon request of the state budget agency or state budget committee instead of annually. Removes specific items from being required in the report.

**Effective:** July 1, 2005.

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(SENATE SPONSORS — YOUNG R MICHAEL, KRUSE)

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January 4, 2005, read first time and referred to Committee on Government and Regulatory Reform.

February 3, 2005, reported — Do Pass.

February 7, 2005, read second time, amended, ordered engrossed.

February 8, 2005, engrossed.

February 15, 2005, read third time, passed. Yeas 79, nays 19.

#### SENATE ACTION

February 24, 2005, read first time and referred to Committee on Governmental Affairs and Interstate Cooperation.

March 10, 2005, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.

March 17, 2005, amended, reported favorably — Do Pass.

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EH 1052—LS 6591/DI 92+



March 18, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1052

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A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 4-30-19-1 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The budget agency  
3 ~~shall~~ **may** contract with a certified public accountant for an annual  
4 financial audit of the commission. The certified public accountant may  
5 not have a significant financial interest, as determined by the  
6 commission, in a vendor or retailer with whom the commission is under  
7 contract. The certified public accountant shall present an audit report  
8 not later than seven (7) months after the end of each fiscal year and  
9 shall make recommendations to enhance the earning capability of the  
10 lottery and to improve the efficiency of commission operations. The  
11 certified public accountant shall perform a study and evaluation of  
12 internal accounting controls and shall express an opinion on the  
13 controls that were in effect during the audit period. The commission  
14 shall pay the cost of the annual financial audit.

15 SECTION 2. IC 4-30-19-2 IS AMENDED TO READ AS  
16 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The state board of  
17 accounts ~~may at any time~~ **shall** conduct an **annual** audit of ~~any phase~~

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1 of the operations of the lottery and shall receive a copy of the yearly  
 2 any independent financial audit and any security report prepared under  
 3 this article. **The commission shall pay the full costs of the audit**  
 4 **required under this section.**

5 SECTION 3. IC 4-30-19-4.2 IS AMENDED TO READ AS  
 6 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.2. (a) In addition to  
 7 the annual audit report required under **section 1** of this chapter, ~~before~~  
 8 ~~the fifteenth day of each month~~ the commission shall submit a revenue  
 9 and expenditure **report reports** to the budget agency and each  
 10 legislative member of the budget committee ~~The report must include~~  
 11 ~~the following:~~

12 (1) ~~The total actual revenues received by the commission during~~  
 13 ~~the previous month.~~

14 (2) ~~An itemized list of expenditures by the commission during the~~  
 15 ~~preceding month.~~

16 (3) ~~The amount of surplus revenue the commission estimates the~~  
 17 ~~commission will transfer from the commission's administrative~~  
 18 ~~trust fund for the next transfer and when the next transfer is~~  
 19 ~~expected to occur.~~

20 (b) ~~At the time requested by the budget committee, the commission~~  
 21 ~~shall submit a detailed budget to the budget agency and each legislative~~  
 22 ~~member of the budget committee, on forms prescribed by the budget~~  
 23 ~~agency. as requested from time to time.~~

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1052, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BUCK, Chair

Committee Vote: yeas 10, nays 1.

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## HOUSE MOTION

Mr. Speaker: I move that House Bill 1052 be amended to read as follows:

Page 2, after line 9, begin a new paragraph and insert:

**"SECTION 3. [EFFECTIVE JULY 1, 2005] (a) As used in this SECTION, "state lottery" refers to the Indiana state lottery established under IC 4-30.**

**(b) The state board of accounts shall audit the records and operations of the state lottery for calendar years 2003 and 2004. The state board of accounts shall report the results of the audit required under this SECTION to the governor and the general assembly in an electronic format under IC 5-14-6.**

**(c) This SECTION expires January 1, 2007."**

Re-number all SECTIONS consecutively.

(Reference is to HB 1052 as printed February 4, 2005.)

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## COMMITTEE REPORT

Madam President: The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred House Bill No. 1052, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 17, after "IC 5-14-6." insert "**The state lottery commission created under IC 4-30-3-1 shall pay the full costs of the audit required under this SECTION.**".

and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.

(Reference is to HB1052 as reprinted February 8, 2005.)

RIEGSECKER, Chairperson

Committee Vote: Yeas 9, Nays 1.

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## COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1052, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-30-19-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The budget agency ~~shall~~ **may** contract with a certified public accountant for an annual financial audit of the commission. The certified public accountant may not have a significant financial interest, as determined by the commission, in a vendor or retailer with whom the commission is under contract. The certified public accountant shall present an audit report not later than seven (7) months after the end of each fiscal year and shall make recommendations to enhance the earning capability of the lottery and to improve the efficiency of commission operations. The certified public accountant shall perform a study and evaluation of internal accounting controls and shall express an opinion on the controls that were in effect during the audit period. The commission shall pay the cost of the annual financial audit."

Page 1, line 4, strike "the yearly" and insert "**any**".

Page 1, line 9, strike "(a)".

Page 1, line 10, strike "before".

Page 1, line 11, strike "the fifteenth day of each month".

Page 1, line 11, strike "a".

Page 1, line 12, strike "report" and insert "**reports**".

Page 1, line 13, delete ".".

Page 1, line 13, strike "The report must include the".

Page 1, strike lines 14 through 17.

Page 2, strike lines 1 through 8.

Page 2, line 9, strike "agency." and insert "**as requested from time to time.**".

Page 2, delete lines 10 through 20.

Renumber all SECTION consecutively.

and when so amended that said bill do pass.

(Reference is to EHB 1052 as printed March 11, 2005.)

MEEKS, Chairperson

Committee Vote: Yeas 7, Nays 0.

**EH 1052—LS 6591/DI 92+**



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